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Program Execution Procedure

1. On or about the beginning of each fiscal year, the Director will approve an operating plan for each organization component (office or equivalent). The plan will consist of one or more key factors (dollar thresholds) through which the operation of the component will be monitored. An appropriate framework for an operating plan for each office will be developed by the Office of Planning, Programming, and Budgeting in coordination with the Directorate planning officers, and will reflect the decisions made in the annual program review.

2. Approval of a component operating plan supported by the allotment of funds will constitute authority to obligate funds in conformance with the approved plan, and no further Agency-level approval will be required except for notification to the DCI of imminent action on selected activities. This notice will consist of a paper which briefly describes the action to be taken, the date of proposed action, and indicates when and by whom the action was approved. In general, this notice will be required before obligation of funds for projects which are politically sensitive, major contractual agreements, purchase of real estate or construction and major procurement actions. Notification will be made as soon as all arrangements for action have been made, and not later than five working days before the action is to take place, except that in case of emergencies, notice shall be provided as early as possible before the action, or as soon as possible after the action where circumstances preclude prior notice.

3. Because of inadequate information, it may not be possible at the beginning of the fiscal year to reach a decision on every key factor of an operating plan. In such cases, plans will be approved with appropriate limitations. Issues remaining will be resubmitted by the Directorates at a later time for DCI decision.

4. Whenever, after approval of an operating plan, circumstances require a change in any of the key factors of that plan, a Deputy Director may reprogram within his total funds by requesting that O/PPB make the appropriate allotment or suballotment changes. Whenever a major change is required, or whenever the change cannot be accommodated within the Directorate total, the Deputy Director will seek the

Director's approval by submitting an appropriate memorandum to the Director through the Executive Director-Comptroller. There is no fixed format for this submission. It should be a paper which clearly and succinctly describes the issue, feasible alternatives, resource requirements and action recommended to the Director.

5. The Executive Director-Comptroller will monitor all operating plans by post audit, by watching the application of resources as reported monthly in the accounting systems of the Agency and by making inquiries directly and through O/PPB and the Inspector General. He will keep the Director currently advised of program implementation and changes.

6. Resources which are not being used will, in consultation with the appropriate Deputy Director, be earmarked for use by the Director for unfunded and quick reaction requirements. Should these amounts be inadequate for unanticipated priority requirements, the Executive Director-Comptroller will look to each Deputy to identify the lowest priority items which can be deferred or cancelled to make available resources required for unprogrammed requirements of the Agency.

7. For this decentralized and simplified system to succeed, it is essential that every component make accurate and timely adjustments to the data base in the accounting systems of the Agency.

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1. Once operating plans are established, each Deputy Director is authorized to reprogram his total funds as he sees fit, subject to two limitations. First, he must request O/PPB to make a formal reallocation for shifts of funds among components. These actions will be taken as a matter of course. Second, whenever the reprogramming sought is significant enough to require DCI approval, the Deputy Director will be expected to seek such approval before he takes reprogramming action. The Executive Director will monitor all reallocation requests and will advise the Director on any matter he believes warrants such advice.

2. Key factors are to be established for and tailored to the specific nature of each component's operations. These are the specific points of the component's plan through which the operation of the component will be monitored. After an initial period of experience, it may be desirable to assign key factors on a Directorate-wide basis rather than a component basis. For the present, however, the dollar budgeted level of organizational component will be the key factor. Additional key factors may be added or eliminated from year to year or even within a year depending on the significance of programs. Reserve releases will, by and large, always be individual key factors in line with our agreement with OMB.

3. Each Deputy Director is required to forward to the DCI through the Executive Director notification of imminent action in the following circumstances:

a. Politically sensitive projects. As used here, a politically sensitive project is any Agency endeavor which carries a significant risk of causing embarrassment to the United States Government in general or to the Agency in particular. In general, Directorates should discuss any such activities in the review of their annual programs. Whenever any endeavor appears to be politically sensitive, DCI approval should be sought even before the contemplated action is put under preparation. The forwarding of notice that the undertaking is about to happen will provide a final safety device to assure full top-level coordination of these high-risk endeavors. 40 Committee approval of politically sensitive activities will fulfill the above-stated requirement to notify the DCI.

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b. Major contractual agreements. Directorates should identify and seek DCI approval of major contractual agreements as part of their annual program reviews. Once approved, notification of imminent action will be required to assure final coordination. It is intended that Agency program reviews will, to the extent possible, include a review of work to be undertaken on behalf of and funded by other agencies. Appropriate systems for monitoring the execution of these programs will be established.

c. Purchase of real estate or construction. No funds will be obligated for the purchase of real estate or for the construction of buildings or for the major repair or rehabilitation of buildings without DCI approval. DCI approval for such actions will normally be obtained as part of the program review process. Notification of action will assure final coordination.

d. Procurement or lease of ADP equipment. Approval will be required for: the purchase or lease of any computer system with a purchase value of \$50,000 or more; the upgrading of current systems where the cost of upgrading is \$50,000 in annual leases or \$150,000 in purchases; and for any annual ADP service contract costing \$50,000 or more. Approval for such procurement actions will normally be obtained as part of the program review process. Otherwise, approval on a case-by-case basis will be required. Notification of imminent action will be required for the purchase or lease of any central processing unit; for upgrading of an existing system costing over \$50,000 for annual leasing or \$150,000 for purchase; and for any ADP service contract costing \$50,000 or more per year.

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